




Wyoming Government Savings and Efficiency Project

Revised Implementation Plan Education

ALVAREZ & MARSAL

June 3, 2019





Agenda

- I. Executive Summary
- II. Revised Scope and Schedule
- III. Stakeholder Engagement
- IV. K-12 Shared Services Governance Strategy
- V. Staffing
- VI. Revised Cost
- VII. Deliverables
- VIII. Recapture of Savings
- IX. Appendix

Executive Summary

- **A&M is presenting a revised scope and project schedule for two of the initiatives from the six workstreams of the Wyoming Efficiency Project. The revision accounts for additional time and resources that will be required to pursue the initiatives with voluntary district participation.**
 - **K-12 Shared Services Centers:** Streamline back office support functions across school Districts by creating a shared pool of resources to support multiple districts through regional service delivery centers
 - **Medicaid for Special Education Services:** Develop and implement a strategy to allow the State of Wyoming to receive Medicaid funding for allowable services provided in schools to children with special education needs.
- **To prepare for implementation, A&M has begun to engage key stakeholders and has developed a plan to continue to engage invested parties throughout the process to maximize school district participation.**
- **A&M has developed project management tools and governance structures to support the implementation process, in addition to deliverables geared toward achieving the goals of each initiative.**
- **The A&M team proposed to continue supporting the implementation effort blends deep subject matter expertise in education with knowledge and experience working with the State of Wyoming.**
- **A&M has begun to design mechanisms for the State to recapture savings, both through decreased reimbursement to school districts and increased Medicaid reimbursement.**
- **To ensure all projects have the appropriate legislative authorization, A&M has outlined the legislative requirements for implementing the selected initiatives.**

Education Initiatives: Initiative Implementation Summary

A&M designed implementation plans for efficiency initiatives across six work streams. The two workstreams closely related to education, **K-12 Regional Shared Service Centers** and **Medicaid for Special Education Services** were selected by the state for further implementation.

K-12 Regional Shared Service Centers



The K-12 Regional Shared Service Centers will streamline back office support functions across school districts by creating a shared pool of resources to support multiple districts through regional service delivery centers. School district participation in the Shared Service Centers will be on a voluntary basis. Key functions of the Shared Service Centers include cooperative purchasing, school food & nutrition, Federal funds management, and consolidated benefits administration.

Medicaid for Special Education*



The Medicaid for Special Education initiative will enable the State to be reimbursed for Medicaid-eligible special education services provided by Wyoming school districts. Full implementation of this plan will require a Medicaid State Plan Amendment (currently in progress) to allow State to request reimbursement from the Centers for Medicare and Medicaid Services (CMS), as well as a mechanism to appropriately provide and report on services to ensure Medicaid funding eligibility.

A&M will support the State, both WDE and the school districts, as well as partner with any additional contractors to drive implementation of these initiatives. By providing project management support and subject matter expertise, A&M is well-positioned to partner with the state to execute on this important effort to achieve cost savings and increased revenue, enhance operations, and improve services to Wyoming' students.

*Note – Medicaid for Special Education is being re-designated as an 'agency led' initiative (WDH and WDE), so the supporting cost estimates throughout this proposal will be revised.



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WDE Initiative Scope – K-12 Regional Shared Service Centers

K-12 Regional Shared Service Centers

- **Purpose:** Streamline back office support functions across school districts by creating a shared pool of resources to support multiple districts through regional service delivery centers. The Shared Service Centers will have the scale needed to support the districts in areas that are non-student facing and will relieve some of the administrative burden from smaller school districts.
- **Scope:** A&M will partner with WDE and participating school districts to identify efficiencies for potential long-term savings through shared resources and cooperative procurement, while reducing the administrative burden on all school districts, especially the smaller ones with limited resources. Additionally, the plan will increase the capture of federal reimbursements for Medicaid for Special Education, USDA School Food and Nutrition, and other US DOE Federal Fund Programs. Based on voluntary implementation, the A&M and WDE teams will engage all school districts to maximize participation with effective adoption and reward efficiency gains.
- **Project Goals**
 - Identify efficiencies for potential long-term savings through shared resources and cooperative procurement.
 - Reduce administrative burden on all school districts, especially the smaller ones with limited resources.
 - Increase the capture of Federal reimbursements for Medicaid for Special Education, USDA School Food and Nutrition, and other US DOE Federal Fund Programs.
 - Enhance the services being provided to students.
 - Support voluntary development of five Shared Service Centers to support all the above, with well planned incentives that will drive faster adoption and reward efficiency gains.





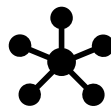

WDE Initiative Scope – Medicaid for Special Education Services

Medicaid for Special Education Services*

- **Purpose:** Develop and implement a strategy to allow the State of Wyoming to receive Medicaid funding for allowable services provided in schools to children with special education needs.
- **Scope:** A&M will work with WDE, WDH and local education agencies (LEAs) to design and implement processes for federal financial participation (FFP) for state special education services, including delivery model design, gaining school district buy-in and support, and creating a roadmap for cost reporting and claims. A&M will partner with subject matter experts to research and document practices of peer states, as well as states with innovative approaches. To support the long-term viability of the initiative, A&M will work with WDE and WDH to develop and implement the process for flow of funds from CMS back to the state.
- **Goals:**
 - Identify Medicaid allowable services and associated costs to provide services across the state.
 - Understand state and local agency challenges with providing services through the current IEP process and other mechanisms.
 - Outline processes and challenges at the school, district, and state Department of Education levels for reporting costs and requesting reimbursement for Medicaid-eligible federal funds, as well as resource needs for school districts, WDH and WDE.
 - Develop a model that allows Federal funding for special education services while minimizing administrative burden for both LEAs and the state.

*Note – Medicaid for Special Education is being re-designated as an ‘agency led’ initiative (WDH and WDE), so the supporting cost estimates throughout this proposal will be revised.

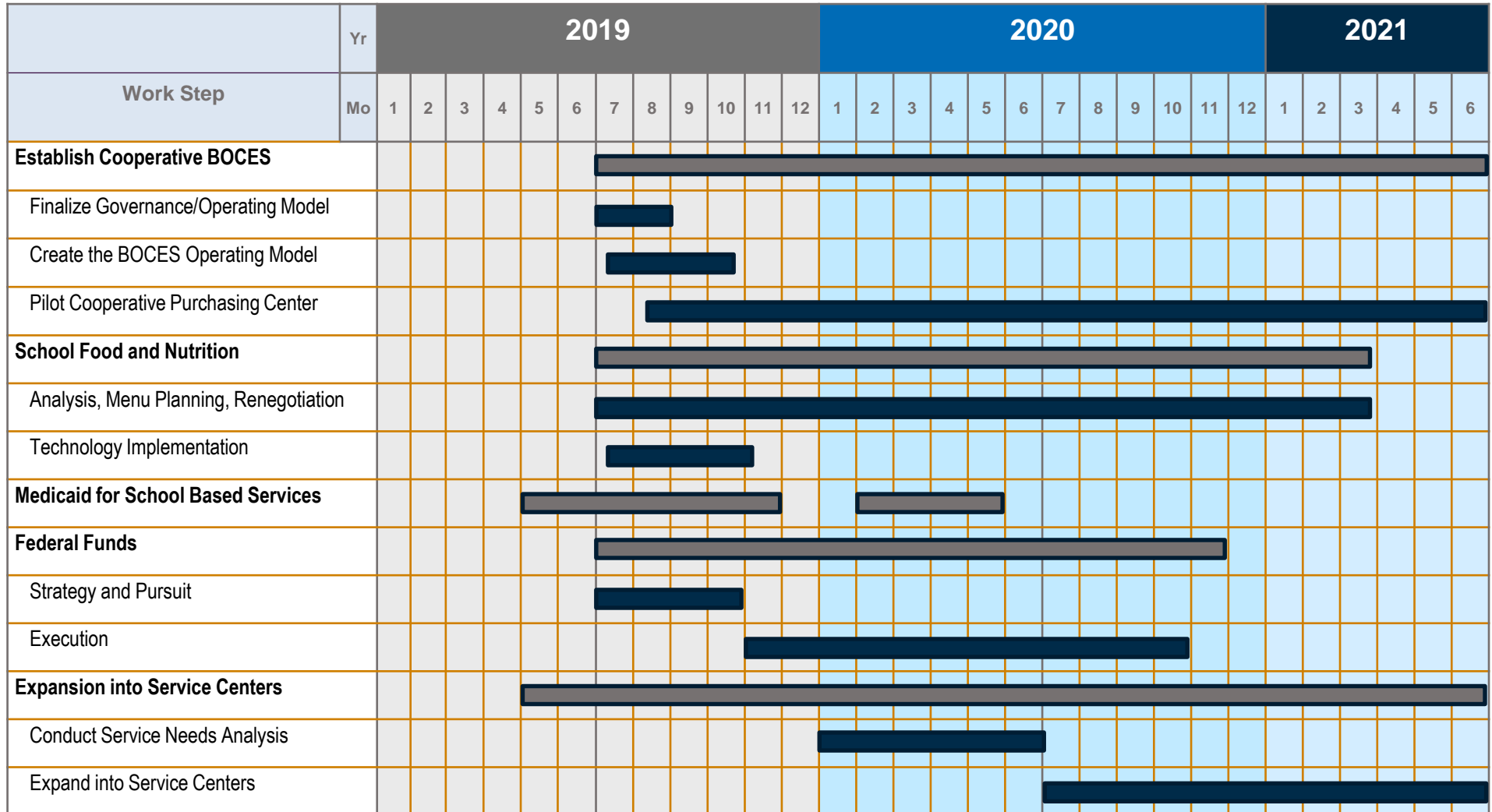
K-12 Shared Service Center's Responsibilities

		<u>Investment</u>	<u>Savings</u>	
Priority ↓	 Medicaid for Special Education⁽¹⁾	\$1.1 – 1.3M	\$15.4 – 18.7M	<ul style="list-style-type: none"> Provide administrative support and technical assistance to school districts requesting federal Medicaid funding Identify Medicaid allowable services and costs
	 Consolidated Purchasing	\$1.9 – 2.3M	\$6.6 – 8.1M	<ul style="list-style-type: none"> Provide procurement services to districts through negotiation of group purchasing Support improved distribution of goods/services
	 School Food and Nutrition	\$0.8 – 1.0M	\$5.0 – 6.2M	<ul style="list-style-type: none"> Provide support for capturing USDA Federal funds Implement centralized technology services Support tracking and compliance reporting
	 Federal Fund Support	\$0.2 – 0.2M	\$2.2 – 2.7M	<ul style="list-style-type: none"> Provide support for Federal fund recovery Centralize funding requests Support tracking and compliance reporting
	 Consolidated Benefits	\$0.7 – 0.9M	\$9.0 – 11.0M	<ul style="list-style-type: none"> Lead efforts to purchase group insurance by managing logistics of procurement of group plan Reduce administrative / stop loss costs via pooling
	 Shared Service Functions	\$4.2 – 5.2M	\$3.6 – 4.4M	<ul style="list-style-type: none"> Provide Finance, Human Resources, Procurement Services Lead centralized technology integration program
		<u>\$8.9 – 10.9M</u>	<u>\$41.8 – 51.1M</u>	

(1) Medicaid for Special Education is fully agency led with funding requested via supplemental request. Investment shown with A&M will be revised to \$0.

Implementation Roadmap *(note: detailed plans in the appendix)*

The implementation of a plan reflected a 22-month duration for K-12 Shared Service Centers and a year for Medicaid for Special Education. The implementation plan has been refined based on the voluntary scenario.





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Conversations Underway with Key Stakeholders

Engaging key stakeholders is important to ensure alignment across each party's goals and objectives, as well as to establish project champions.

State Leadership	BOCES	Individual School Districts	School Based Associations	Key Legislators
<i>Agency leaders and key staff who would be involved in Medicaid/special education and/or would be impacted by a shared services arrangement</i>	<i>Opportunities to enhance existing cooperative education services structure to support expanded functionality</i>	<i>Understanding the current challenges and limitations of implementing the initiatives for Wyoming districts</i>	<i>Identification of expanded opportunities for cooperative purchasing of goods, services, and benefits</i>	<i>Local champions of increased operational and financial efficiency</i>
<ul style="list-style-type: none">• Wyoming Department of Education• Wyoming Department of Health	<ul style="list-style-type: none">• Wilson Special Education BOCES• Thermopolis Special Education BOCES• Gillette Special Education BOCES	<ul style="list-style-type: none">• Region 1 School Districts• Potential Pilot School Districts (e.g. Laramie, Natrona, Campbell)	<ul style="list-style-type: none">• Wyoming School Board Association (WSBA)• Wyoming Education Association (WEA)	<ul style="list-style-type: none">• Government Efficiency Commission• Joint Appropriation Committee• Joint Education Committee

Stakeholder engagement strategy

As part of the project management support, A&M will work with each of the key stakeholder groups to help increase buy-in, identify and address potential challenges, and manage risks.

A&M has already completed a number of conversations with WDE and WDH leadership, BOCES, key school districts, WSBA and legislators. This communication will continue throughout implementation.

A&M will work with key representatives from the state, school districts, BOCES, WSBA/WEA, and legislators to establish the governance board provide an overview of the next phase of the project.

A&M will work with WDE and the existing BOCES to identify “champion” school districts to advance the effort, as well as, the school districts that are willing to participate in the process.

A&M will work with the Governance board to identify and establish the operating models and funding mechanisms for each of the initiatives.

A&M will engage with the participating school districts to conduct detailed spend analysis across districts to assess the strategic priorities for presentation to the board.

A&M will continue to maintain ongoing communications with key legislative committees to ensure that any enabling legislation has the support required to be enacted.

Identifying “champion” school districts is particularly important under the voluntary adoption model to increase buy-in and maximize participation across school districts.

Stakeholder Efforts and Communication Points

- **State Leadership**

- Worked with the Wyoming Department of Education to establish plans, develop cost estimates, and finalize project plans.
- Transitioned existing research and project plans to the Wyoming Department of Health
- Developed plans for an outreach program that will be executed alongside the WDE to the full set of Wyoming school districts

- **Board of Cooperative Educational Services (BOCES)**

- Worked with the Wilson, Thermopolis, and Gillette BOCES to gain concurrence on approach
- Developed plans for an outreach program that will be executed on alongside the BOCES to their partner districts

- **Individual School Districts**

- Worked with Laramie 1 to present the plan and discuss further partnership as the project is executed

- **School Board Associations**

- Worked with the Wyoming School Board Association to understand their School Food and Nutrition Programs and Insurance and Benefit programs for incorporation within the broader project plan.
- Developed plans for an outreach program that will be executed alongside the WSBA and WEA to their partner districts

- **Key Legislators**

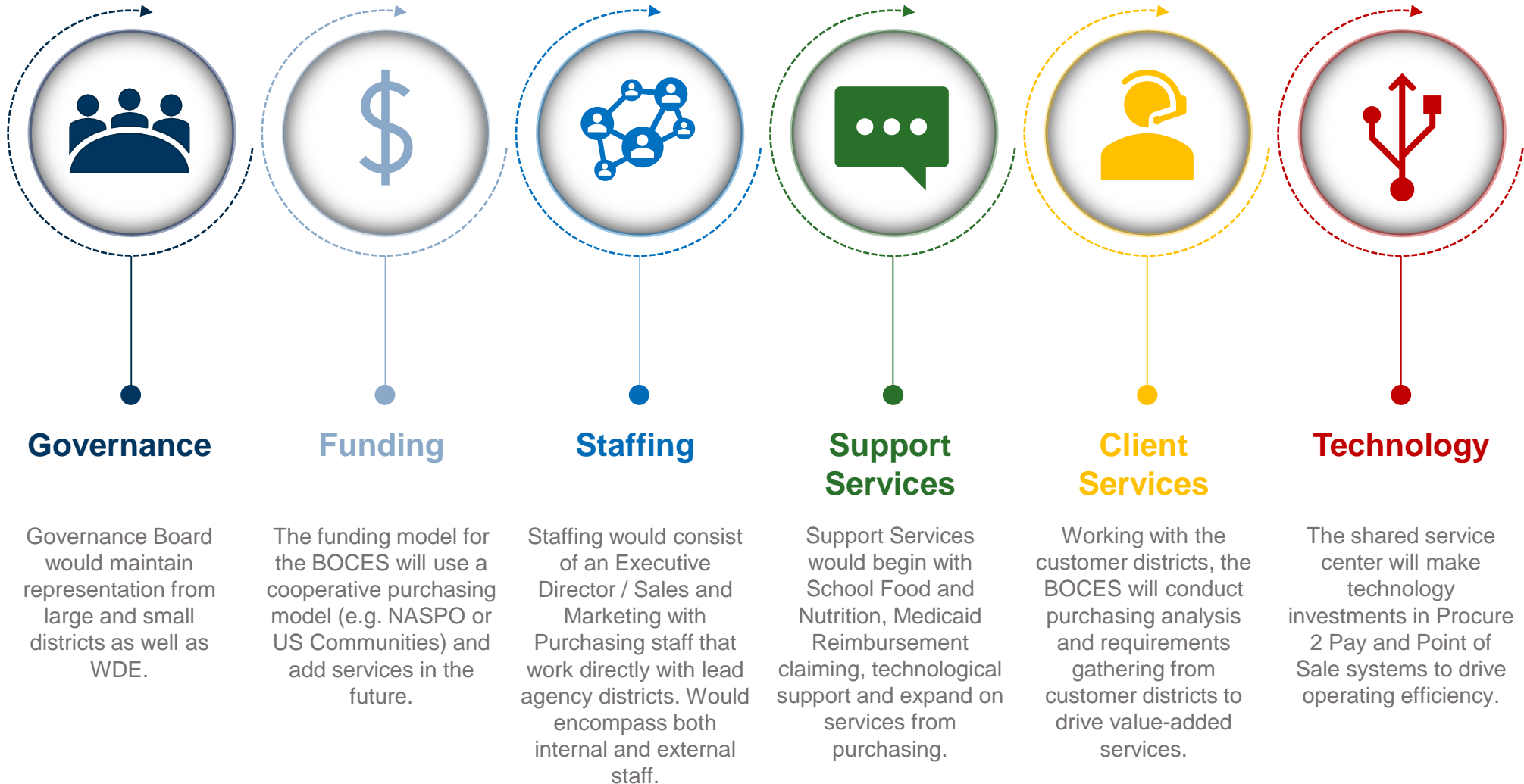
- Testified to the Government Efficiency Commission, Joint Appropriation Committee, and Joint Education Committee
- Establish ongoing communications and expectations with the various education committees to ensure that the expectations that are communicated to the school districts are carried out. Ongoing risk of mismatch in expectations and reality could harm credibility



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The Shared Services Organization will use the BOCES Model



Refine the Governance Model for the BOCES structure

Creating a governance model with the proper stakeholder representation ensures that centers are accountable for the services they are providing and held to a mutually agreed upon standard.



- A well-defined governance model provides **direction and focus** to ensure the Shared Service Centers continually strive to meet Service Level Agreements and Expectations.



- The governance model will include the **“voice of the customer”** to ensure that the services delivered are those required and to provide their support for the improvement of processes.

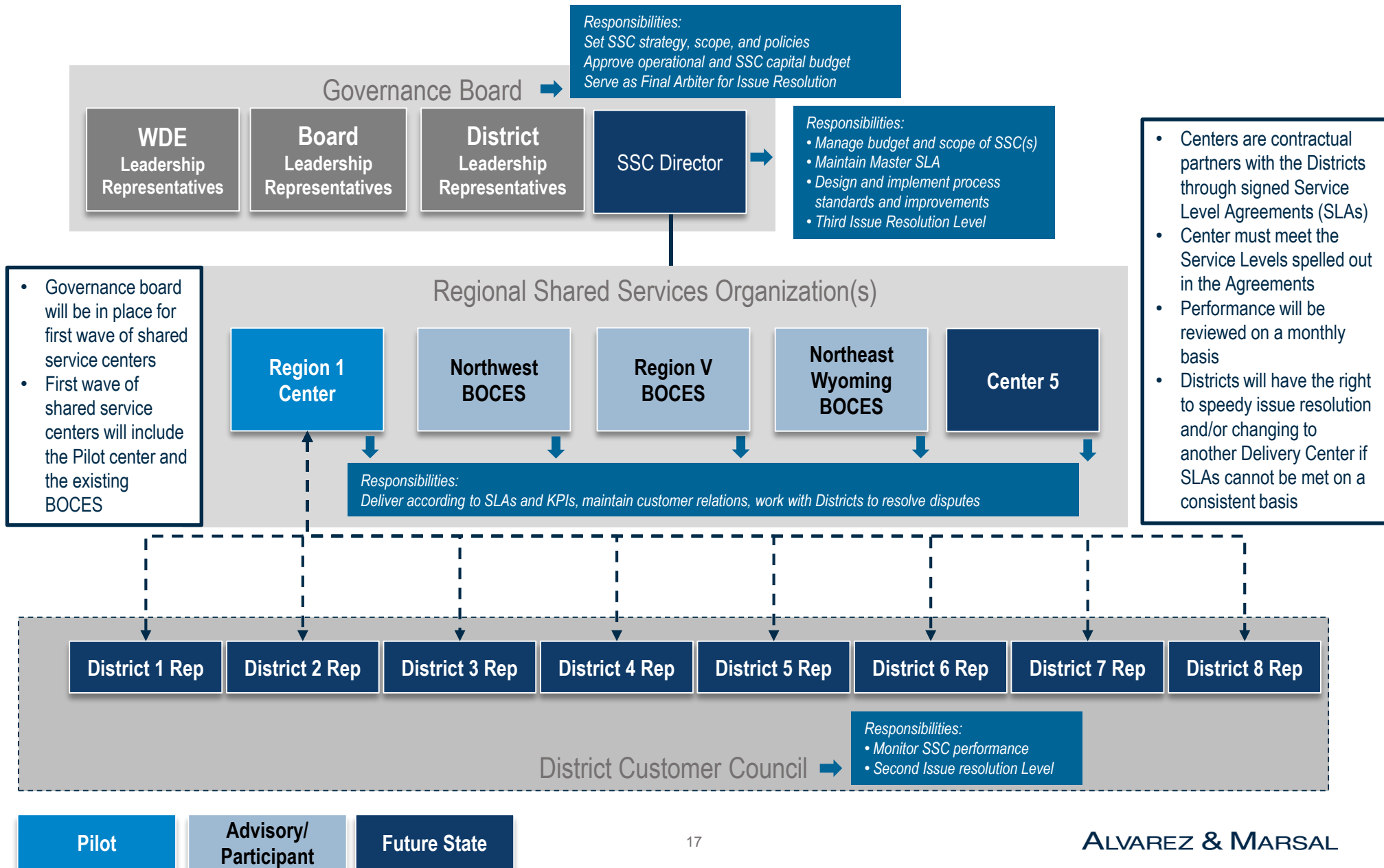


- The governance model helps to **resolve conflict** by providing a defined structure and process for issue resolution, with clearly communicated roles and responsibilities.



- The governance model consists of the following components:
 - **Governance Board**
 - **District Advisory Council**
 - **Shared Services Leadership**

Shared Services Center Governance Model – Full Buildout



Governance Roles & Responsibilities

The Governance Board will act as the highest level decision maker and leader of the shared service centers.

Customer Council



Description:

Represent the “voice of the client” and made up of a regional shared services manager and a representative from each member district.

Responsibility:

Represent the member districts and help facilitate coordination of resources from member districts to work on process improvements.

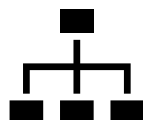
Decision Making:

The customer council will not have final decision making power but instead be consulted throughout the decision making process of issues that arise. In some cases the customer council will only be informed of decisions that are made by Governance Board.

Evolution:

Customer council will begin as members from the small number of participating districts. Will initially provide vital feedback to ensure pilot service center is providing adequate service.

Shared Service Centers



Description:

Deliver in scope services to participating districts that fall within their region.

Responsibility:

Service centers must provide agreed upon services and meet the service levels spelled out in the agreements with member districts.

Decision Making:

Shared Service Centers decision making authority is only within their districts and will require input and buy-in from the member districts.

Evolution:

Pilot shared service center will start by providing a few services to a small number of districts. After soliciting feedback from member districts and then incorporating that feedback into the service delivery model, the center will set the model from which the other centers will be built. Eventually multiple centers will be located throughout the state and provide services to all participating districts.

Governance Board



Description:

Ultimate authority and strategic leader of the shared service centers.

Responsibility:

The governance board’s responsibility is to set the top level strategic direction of the WDE Shared Service Centers and set the scope of services. They will also be accountable for the annual operating budget, capital budget, and setting performance levels.

Decision Making:

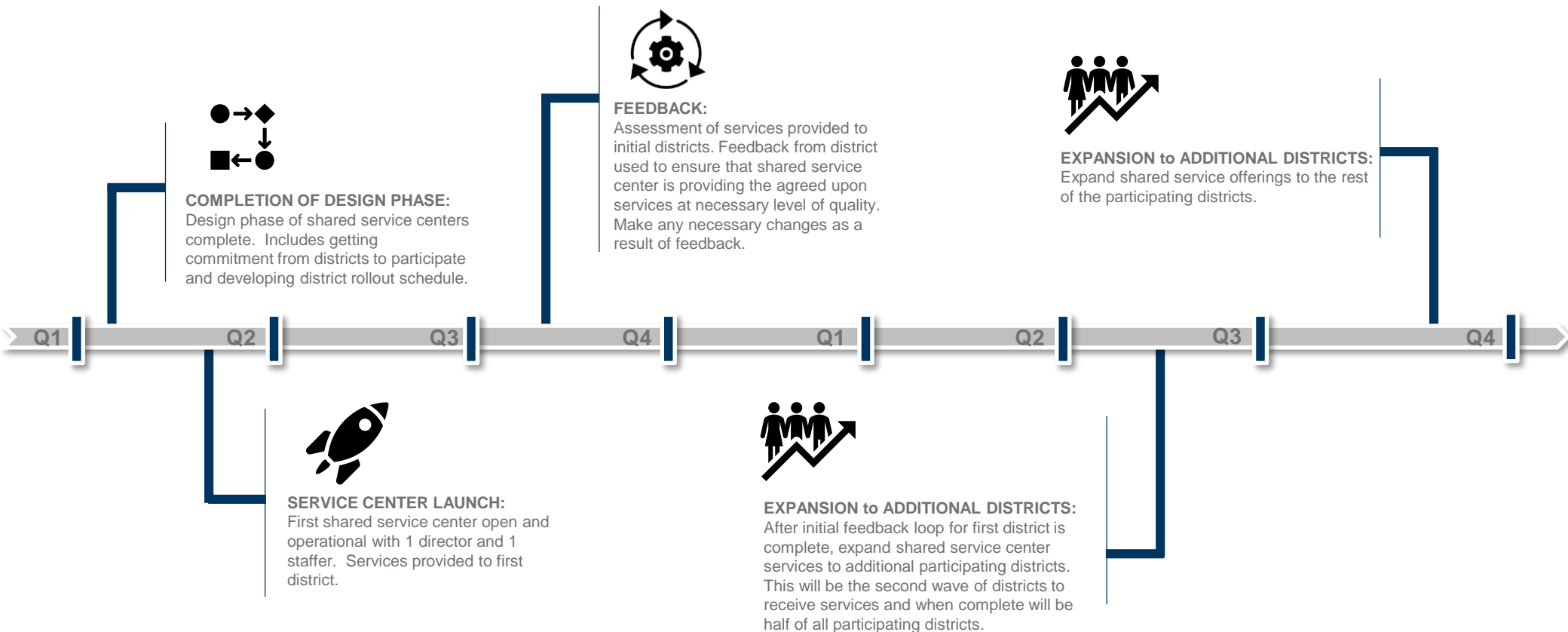
The governance board will serve as the final decision authority on issues that have been escalated.

Evolution:

The governance board will evolve with the shared service centers as it will grow as more districts participate. Starting small, the board will only have a few people advising the members. This will grow and evolve as more districts join and more service centers become operational.

Evolution of Shared Service Centers To Full Buildout

Operation of the Shared Service Centers will begin with the completion of the design phase and progress from a single shared service center that services a few districts to multiple centers that serve all participating districts.





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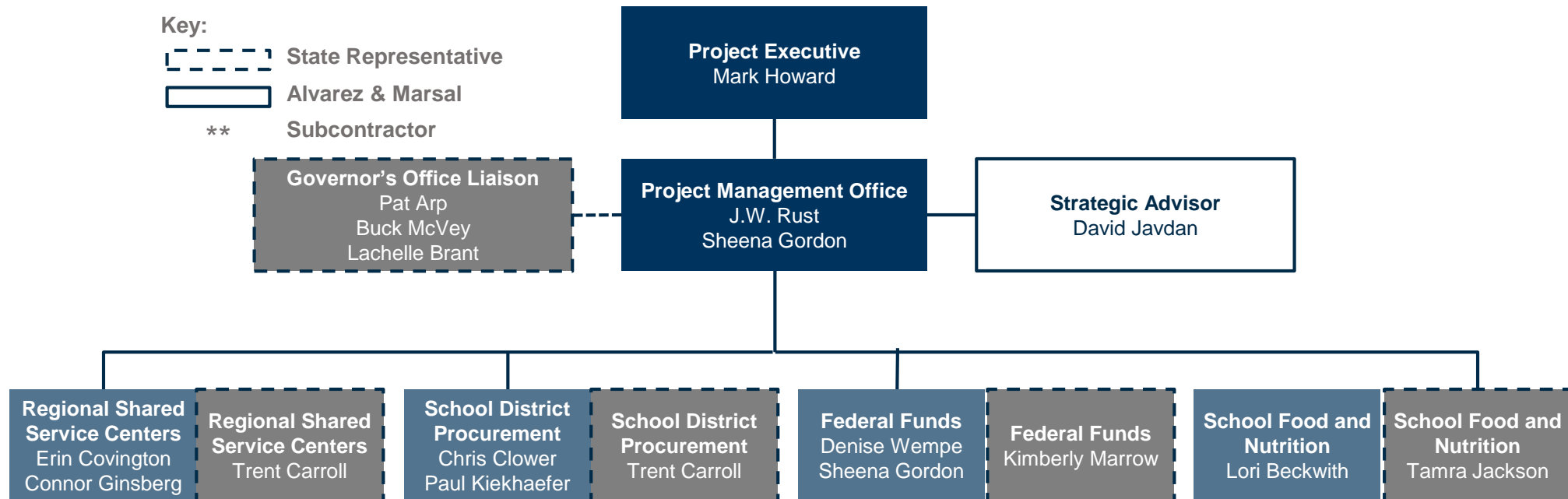
Implementation Team

Key:

 State Representative

 Alvarez & Marsal

**  Subcontractor



Bios of Proposed A&M Team Members



Mark Howard

Managing Director – Project Executive

- 🕒 35+ years of experience as an executive consultant to governments. Primary areas of concentration include back-office operations transformation, financial/budgeting management and government performance management
- 🕒 Served 10 years in city management as Department Head, Budget Director, Deputy City Manager, and City Manager for cities in Texas, Colorado and Wisconsin
- 🕒 Prior to joining A&M, Mr. Howard spent 23 years with Accenture where he most recently served as Global Lead for the Public Administration/Regulatory industry group
- 🕒 BA in History, Northwestern University; MPA, LBJ School at the University of Texas-Austin



JW Rust

Senior Director - Project Manager

- 🕒 20+ years of financial services and management consulting experience
- 🕒 Served as the project manager for A&M's involvement in Phase I and II of the Wyoming Statewide Efficiency Project, in addition to statewide efficiency reviews in Rhode Island, Oklahoma, Louisiana, and Kansas
- 🕒 Prior to joining A&M, Mr. Rust. was a Senior Associate with Booz Allen Hamilton where he led the Civil and Commercial Financial Services group for the Decision Analytics Team.
- 🕒 B.B.A. in Business Administration, James Madison University; M.A. Information Technology Systems, Johns Hopkins University



Erin Covington

Managing Director – Regional Shared Services Lead

- 🕒 20+ years of experience serving in key leadership positions and providing management and advisory services for public sector and commercial clients. Her primary focus is on performance improvement opportunities in the K-12 and post-secondary sectors
- 🕒 Served as Deputy Chief Restructuring Officer for the New York City Department of Education, spearheading new weighted student funding model and directing the successful identification and implementation of \$290M in savings
- 🕒 Led an efficiency review of all 82 public school districts in the South Carolina Department of Education
- 🕒 B.B.A. in Accounting, James Madison University

Bios of Proposed A&M Team Members



Lori Beckwith

Subject Matter Expert – School Food and Nutrition Lead

- 🕒 23+ years of Child Nutrition program experience, Lori Beckwith brings both program and compliance experience together to enhance Child Nutrition Operations.
- 🕒 Owner and Senior Consultant with Lori Beckwith Consulting, serving as a Child Nutrition Program Consultant with extensive experience at both the State and Local level
- 🕒 Worked as a Child Nutrition Director in School Districts, RCCI's and Summer Feeding Programs
- 🕒 Served as a State Agency Compliance Specialist and Trainer



Connor Ginsberg

Senior Consultant – Regional Shared Services

- 🕒 Supported A&M's Wyoming Statewide Efficiency work in managing analysis across all workstreams for the PMO function as well as analyzing feasibility and designing implementation plans for K-12 education initiatives
- 🕒 Supported numerous work streams as part of the Rhode Island statewide efficiency review that identified, quantified, and prioritized initiatives for the State to enhance revenue, reduce costs and operate more efficiently
- 🕒 Supported a comprehensive financial and operational review of Newark Public Schools (NPS) to identify cost savings opportunities for each central department of NPS
- 🕒 B.A. in History, Tufts University; M.B.A., Georgetown University



Chris Clower

Director – School District Procurement Lead

- 🕒 Broad background includes experience leading activities in Operations, Procurement, Logistics, Supply Chain and Customer Service for a wide variety of organizations
- 🕒 Led the Wyoming Efficiency Project Procurement Organizational Assessment, benchmarking over \$400M in annual spend across 95 distinct spend categories. Conducted a full scale review of the state's procurement maturity, including current demand drivers, business process requirements, governance, tools and technology.
- 🕒 B.A. in Commerce, University of Virginia; M.B.A., University of Washington
- 🕒 Certificate in Global Supply Chain Management, University of Washington

Bios of Proposed A&M Team Members



Paul Kiekhaefer

Analyst – School District Procurement

- ➊ Provides financial analysis and policy research in support of Public Sector projects
- ➋ Supported a strategic sourcing assessment of state procurement spending. This assessment identified \$50 million in indirect savings to the state general fund
- ➌ Participated in a process assessment of Wyoming's procurement functions with analysis presented to the government's efficiency committee to inform proposals to adjust state procurement law
- ➍ B. B.A. Accounting and Economics, Baylor University



Denise Wempe

Subject Matter Expert – Federal Funds Lead

- ➊ Provides consulting for financial, program, and system audits; subject matter expertise in Education, Contracting, and System Development and Acquisition; and mediation to resolve conflicts and disputes
- ➋ Led an audit organization within the US Department of Education responsible for ensuring Education programs are effectively implemented and funding is used in accordance with laws and regulations.
- ➌ Served as a Senior Auditor for the US Government Accountability Office, Leading financial, system, and program audits of Federal agencies and Federal contractors.



Sheena Gordon

Director – Federal Funds

- ➊ 10+ years of financial management and data analysis experience across private and public sectors
- ➋ Led the Wyoming Statewide Efficiency Project Organizational Line of Service Review and coordinated recommendation across all workstreams to support the Program Management Office
- ➌ Supported of statewide and agency efficiency reviews for the States of Rhode Island and Indiana, and the City of Dallas, TX
- ➍ B.A. in Economics, Barnard College/Columbia University; M.B.A., Columbia Business School
- ➎ Certified PROSCI Change Management Professional



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Costs Components by Workstream by Year

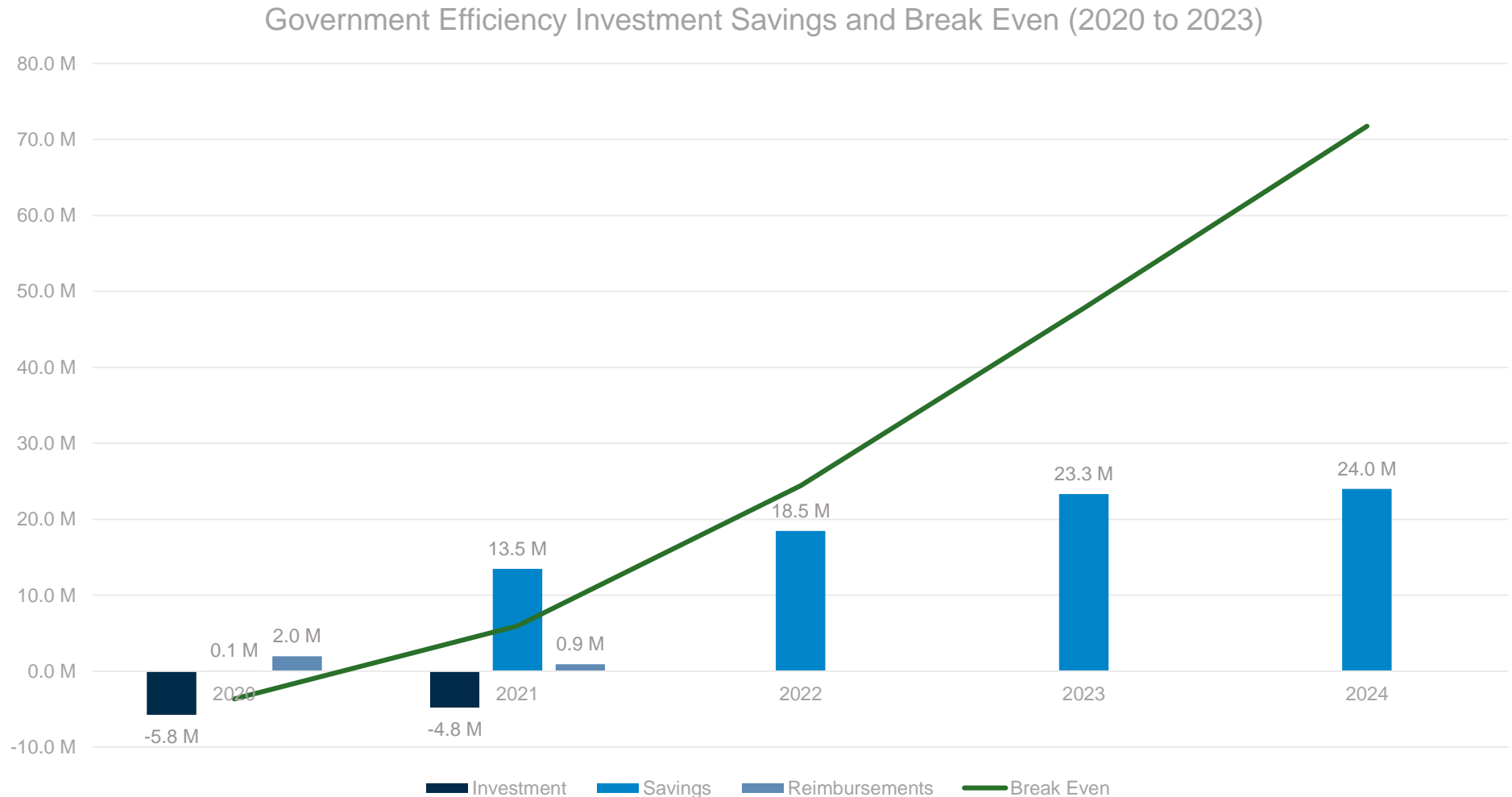
Work Stream	Costs for A&M Services		Non-A&M Spend*	All Spend	Tasks
	FY2020	FY2021	Multi-Year	Total	
Medicaid for Special Education	\$0	\$0	\$1,200,000	\$1,200,000	<ul style="list-style-type: none"> Integration of technical assistance in the Shared Service Center Medicaid tracking systems
Consolidated Purchasing	\$1,830,794	\$394,216	\$ -	\$2,225,011	<ul style="list-style-type: none"> School district spend analysis Statewide P-card initiative Waves 1-4 Utilization of a P2P system
School Food and Nutrition	\$740,858	\$184,414	\$223,900	\$1,149,172	<ul style="list-style-type: none"> Implementation of the POS Point of Sale / Online system
Federal Funds Support	\$190,126	\$0	\$ -	\$190,126	<ul style="list-style-type: none"> Federal Funds strategy and pursuit
Consolidated Benefits	\$0	\$579,692	\$225,000	\$804,692	<ul style="list-style-type: none"> Development of a captive insurance firm for stop loss
Shared Services Function	\$1,566,169	\$1,909,725	\$1,500,000	\$4,975,894	<ul style="list-style-type: none"> Analysis and marketing of districts Standup the BOCES Enhancements to existing ERP systems
TOTAL	\$4,327,947	\$3,068,047	\$3,148,900	\$10,544,894	<ul style="list-style-type: none"> Initial investment to standup the BOCES and drive procurement efforts

*See next slide for details on non-A&M spend

Detailed Non-A&M Spend

- **Medicaid for Special Education (\$1.2 million)**
 - Ongoing planning, analysis, design, vendor selection support (\$900k total across FY2019 and FY2020)
 - School District System Modifications: \$150,000
 - MMIS System Modifications: \$150,000
- **School Food and Nutrition (\$223k)**
 - Implementation of scanners (5 per school) at \$100 each
 - Implementation of Point of Sale (POS) systems (\$800 each) per school
 - Investment of an online application for consolidated menu planning
- **Consolidated Benefits (\$225k)**
 - Other support includes level of effort for actuarial support for the analysis of underlying changes to the benefits program through the development of a captive insurance program to consolidate stop loss programs across fiscal years.
- **Shared Services Function (\$1.5 million)**
 - Implementation of a Procure 2 Pay system to conduct consolidated spend analysis and facilitate implementation of procurement strategies
 - School district ERP system modifications.

Project break even is expected in Fiscal Year 2021





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Project Deliverables

The goal of the deliverables outlined below is to provide both WDE and the school districts with the appropriate structure and information to support broad participation in the efficiency initiatives.

Item	Description	Deliverable Format	Owner	Proposed Deadline
Oversight of Key Tasks and Resources	The A&M Team will work with WDE and the school districts to ensure that all aspects of the project are appropriately tasked and resourced within the integrated state project team.	Tasking matrix with key point(s) of contact and project sub-teams for each efficiency initiative	A&M	6/30/2019
Communication & Change Management Plan	Given the required commitment from participating school districts, A&M will provide communication and change management plans to direct interactions with school districts to maximize participation and adoption of best practices.	Communication and change management plans outlining steps to drive adoption through increased awareness, desire to support the projects, training requirements, and reinforcing key successes.	A&M	11/30/2019
School Food and Nutrition Requirements	Installation of point of sale (POS) for participating districts Development of menu planning mechanisms Renegotiation of supplier contracts	Identification of contractors to provide statewide POS and menu planning services, and system implementation New contracts with key food and food-related suppliers	A&M / State	6/30/2020
Federal Funds Requirements	Hire Federal Funds support for WDE Stand up E-rate, programmatic funding and non-DOE funding	Dedicated Federal Funds professional on staff with WDF Full implementation of comprehensive Federal grants management system	A&M / State	9/30/2019

Project Deliverables

The goal of the deliverables outlined below is to provide both WDE and the school districts with the appropriate structure and information to support broad participation in the efficiency initiatives.

Item	Description	Deliverable Format	Owner	Proposed Deadline
Creation of the Governance Board	Establish the Governance Board to oversee the initial pilot shared service center	Operating model for the Governance board and establishment of meeting schedule and hosting of first meeting	A&M / School Districts	09/30/2019
BOCES Pilot Stand Up for Shared Service Centers	Establish the pilot BOCES to establish the first regional shared service center and develop the core operating model	Operational shared service centers with clear funding mechanism and operating model	A&M / School Districts	6/30/2020
BOCES Expansion into Operational Shared Service Centers	Partnering with existing BOCES to establish regional shared service centers	Operational shared service centers with clear funding mechanism and operating model	A&M / School Districts	6/30/2021
Strategy Sourcing/ Procurement Requirements	Design of consolidated purchasing structure Procurement spend analysis Execution of Categories 1-4 Delivery of centralized p-card system	Detailed analysis for school system-wide spend Completed strategic sourcing exercise for Categories 1-4 Contract for centralized p-card system	A&M	9/30/2019



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Savings Recovery – Key Categories

The state will recover costs/realize savings in three main way – Direct Billback of Costs, Federal Fund Recovery, and Alternative Funding techniques including Recalibration or Budget Reductions.

Federal Fund Recovery

In cases were the service centers result in the state capturing more federal dollars, the state would keep a portion of those dollars as cost reimbursement and recognize these efforts as an increase in revenue generated for the state.

Billback / Operational Recovery	Federal Funds Recovery	Alternative Funding
(See next slide for details in each category)		

Direct Billback / Operational Recovery

In order for the state to realize savings, the state would bill the districts directly to recover part or all of the savings that result from the use of shared service centers. This would include a recovery of savings associated with administrative costs and some portion of the costs associated with the ongoing operation of the service centers.

Alternative Funding

In cases were the advent of shared service centers decreases the costs associated with a particular cost element (and therefore a budget decrease the following FY), the state could realize part of the savings by either reducing the budget amount or through revisions to the recalibration process (see the next page for more details).

Savings Recovery – Detail by Workstream & Category

\$46M in savings is recoverable through billback, operational recovery, and federal funds reimbursement

Work Stream	Billback / Ops	Federal Recovery	Alt. Funding	Total Savings	Notes
Medicaid for Special Education	\$600,000	\$16,306,645	\$0	\$16,906,645	<ul style="list-style-type: none"> Administrative Costs would be recaptured via indirect
Consolidated Purchasing	\$1,094,022	\$0	\$6,524,442	\$7,618,465	<ul style="list-style-type: none"> Pcard Operational Funding Operational Reimbursement
School Food and Nutrition	\$968,783	\$0	\$4,823,039	\$5,791,822	<ul style="list-style-type: none"> Reimbursement for POS Implementation and Operating Costs
Federal Funds Support	\$79,456	\$1,253,943	\$1,174,487	\$2,507,886	<ul style="list-style-type: none"> Administrative Recovery
Consolidated Benefits	\$197,638	\$0	\$10,127,024	\$10,324,662	<ul style="list-style-type: none"> Captive insurance operating billback for stop loss
Shared Services Function	\$1,185,251	\$0	\$2,981,144	\$4,166,396	<ul style="list-style-type: none"> BOCES operational services reimbursement ERP enhancement reimbursement
TOTAL	\$4,125,150	\$17,560,588	\$25,630,137	\$47,315,876	<ul style="list-style-type: none"> Admin and Federal Recoveries can help recapture some costs Alternative Funding would be required to recapture more

Alternative funding models may be needed to recover funds

Wyoming is one of few states whose financing of public school districts must be cost based as the state's funding must reasonably cover the actual costs of local school districts. The models below present alternatives to the current system in order to help the state capture the savings achieved through shared services

Budget Reductions



Description:

Based on the savings achieved through the standup and implementation of shared service centers, the overall amount of funding provided by the state to the districts as a whole will decrease.

Mechanics:

A percentage of the savings achieved through the adoption of shared service centers will be captured by the state. This will be done by holding a portion of those savings the following year by disbursing less to the districts. This will drive the overall state funds allocated to the districts down but will also allow both the districts and the state to share the savings achieved through the implementation of shared services.

Recalibration



Description:

To change the way funds are allocated to school districts, the state may have to recalibrate its funding model. In this case, changes to the funding model will be to lay out how savings achieved through the shared services will be distributed.

Mechanics:

To incentive districts to participate in the shared services, the funding model will be recalibrated to distribute the savings achieved through the shared service centers more heavily to districts that participate. This recalibration will also layout how the state and districts will divide the savings.



Agenda

- I. Executive Summary
- II. Revised Scope and Schedule
- III. Stakeholder Engagement
- IV. K-12 Shared Services Governance Strategy
- V. Staffing
- VI. Revised Cost
- VII. Deliverables
- VIII. Recapture of Savings
- IX. Appendix

Appendix Table of Contents

- I. Project Tracking and Monitoring**
- II. Tenets and School District Commitments**
- III. End State Shared Services Model**
- IV. Impact of Legislation / New Legislation**
- V. Detail Implementation Plans**

Project Management Responsibilities

Project Management Responsibility	A&M Team Scope	State Project Team Scope
Governance and Leadership	<ul style="list-style-type: none"> Stand up project governance structures 	<ul style="list-style-type: none"> Coordinate with Government Efficiency Commission
Management & Oversight	<ul style="list-style-type: none"> Oversee project delivery 	<ul style="list-style-type: none"> Manage project schedule throughout implementation On-going leadership briefings
Performance Management & Tracking	<ul style="list-style-type: none"> Train state project teams on PMO tools and tracking and monitoring 	<ul style="list-style-type: none"> Monitor project performance Report on project status, including implementation costs and savings
Risk Management	<ul style="list-style-type: none"> Support state risk management efforts 	<ul style="list-style-type: none"> Manage risks and issues, as required
Reporting	<ul style="list-style-type: none"> Standup PMO tools and reporting structure 	<ul style="list-style-type: none"> Track KPIs and other metrics Conduct leadership briefings
Communication	<ul style="list-style-type: none"> Support state's management of internal and external communication Support the state's stakeholder management efforts 	<ul style="list-style-type: none"> Manage internal communication, including Governor's office, legislature and state project teams Manage external communications, including stakeholders, press, and the general public

Project Tracking and Monitoring

Consistent monitoring of performance metrics (associated with each of the efficiency initiatives selected for implementation) will help to ensure the projects have the intended impact. The A&M PMO Team will support the state in tracking and dashboarding across key metrics.



Project Schedules

By using the PMO Tool, Smartsheets, the PMO Team will be able to collect information on project schedules and budgets to consolidate through an Integrated Master Schedule.



Performance Metrics

Based on metrics identified by the project teams, the PMO will support the state in evaluating the impact of efficiency initiatives and identify opportunities to maximize effectiveness.



Risks & Issues

Throughout the Implementation Phase, the PMO team will work with project teams to identify risks and issues, while developing risk management strategies.

PMO Tool and Tracking mechanisms

A&M helped the state select and purchase a PMO tool that will streamline the tracking and monitoring of all KPIs related to the implementation of chosen initiatives

Information and Description:

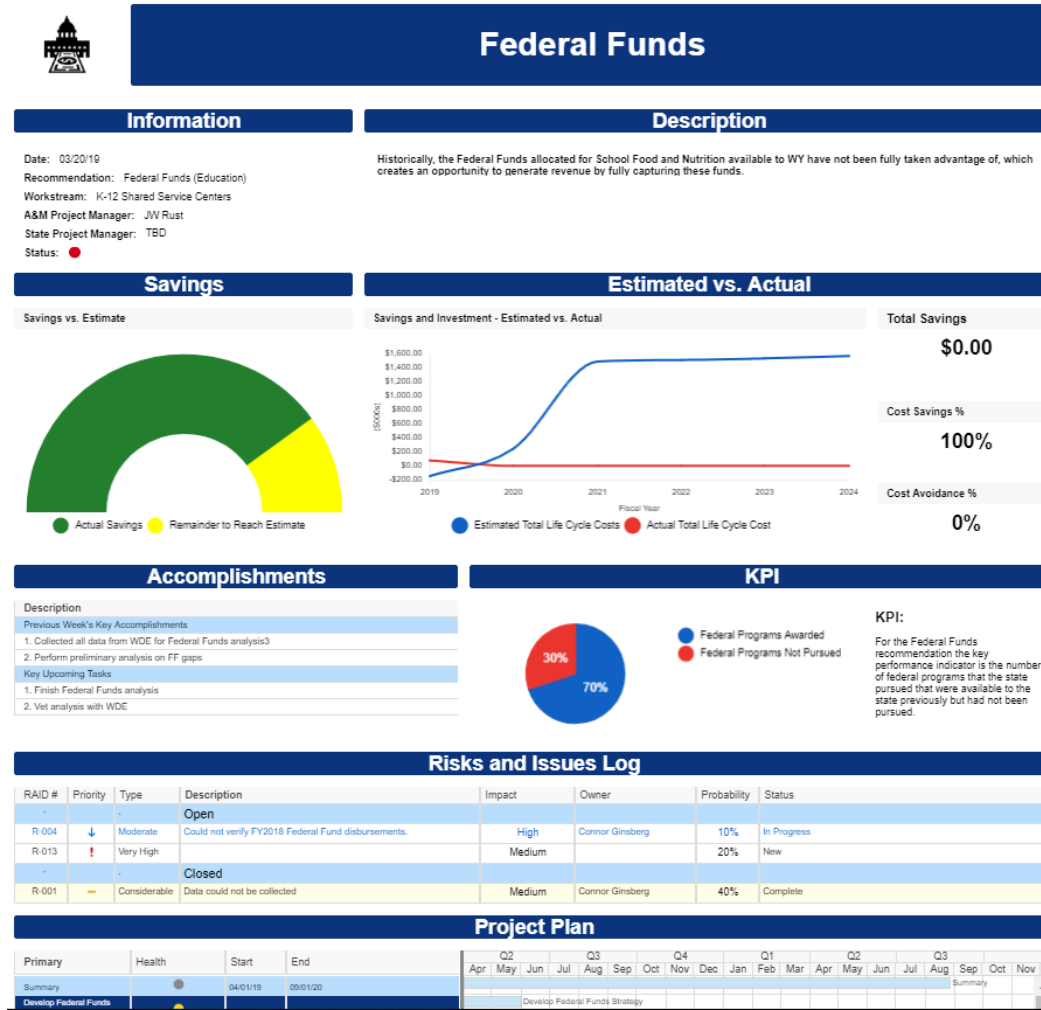
Provides an overview of each recommendation, a point of contract, and overall status.

Accomplishments:

Weekly log of the main accomplishments from previous week and the key upcoming tasks for the upcoming week.

Project Plan:

Main tasks and estimated implementation timeline. Also includes health (based on being on or behind schedule) of each task



Savings & Estimated vs. Actual:

Provides real-time look at how savings estimates compare to actual savings achieved by specific initiative.

KPI:

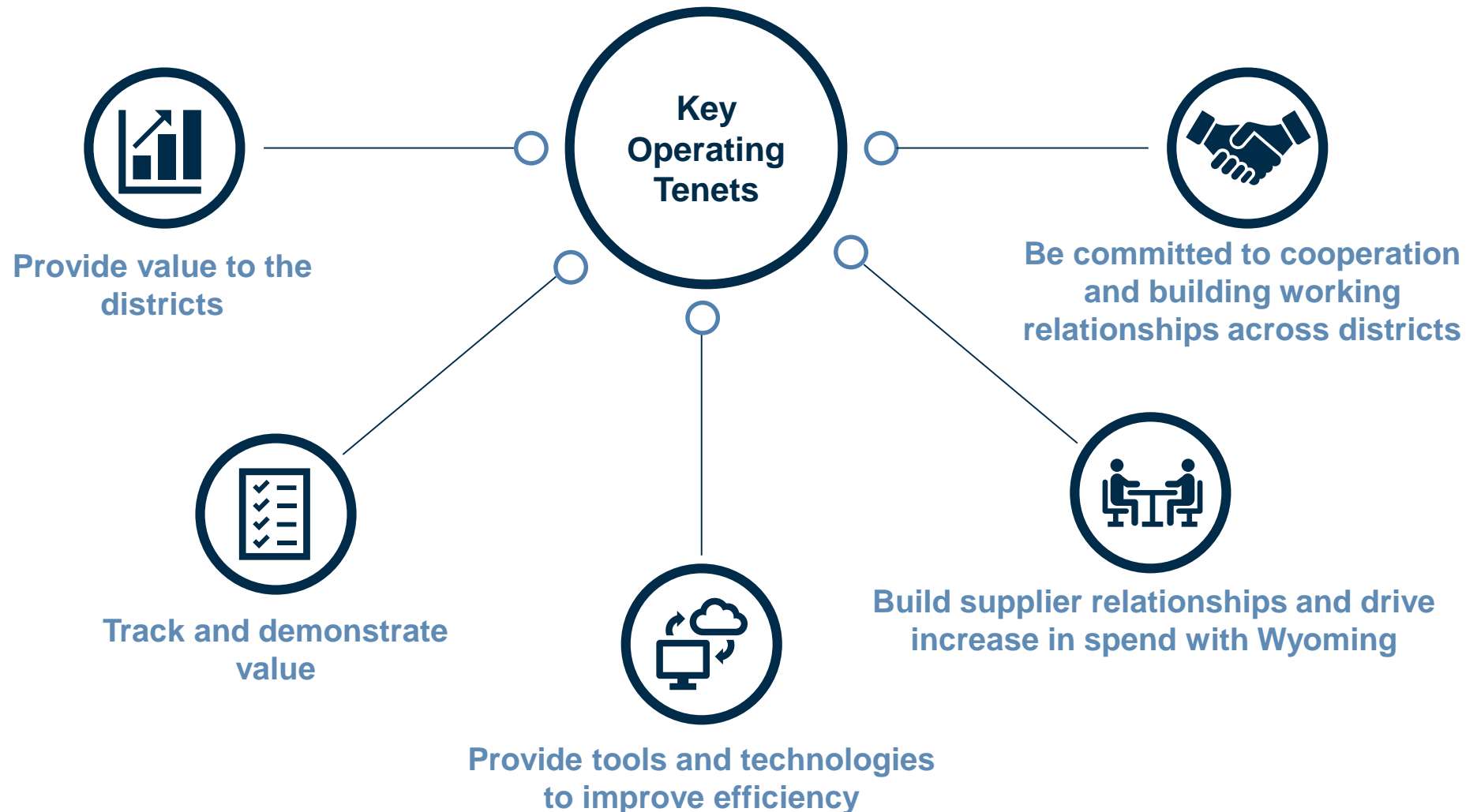
The main metrics which, other than savings, we will use to evaluate the success of the implementation of the initiative

Risks and Issues Log:

Log of largest risks, their impact, status, and probability of each one becoming an issue

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The key operating tenets provide guiding principles for execution



School District Efficiency Initiative Commitments

To implement the **K-12 Shared Services Centers** and **Medicaid Reimbursement for Special Education Services**, A&M is working with WDE to identify school districts who will help drive and champion these initiatives. As participation in these initiatives is voluntary, effectively engaging school districts as key stakeholders is essential to the success of the implementation. Participating school districts will need to commit to the following items:



Participating in the analytic and data collection processes: Collecting and analyzing this information on spend, food and nutrition, systems, and federal funds will be key to evaluating the impact of the initiative. A&M has also developed mechanisms to track KPIs and other metrics.



Supporting the procurement process, including leading RFPs: School districts with strong purchasing capacity will need to serve as lead contracting agents for various procurement efforts, while coordinating with other partner districts to drive competitive volume pricing.



Supporting school nutrition implementation: A key to effectively delivering consistent, healthy meals to students in line with the Federal requirements is to ensure that school districts better utilize technology to support menu planning and operational realization of savings.



Collaborating on Federal grants management: Pursuing and managing Federal grants is often too great a burden for smaller districts. Participating districts would partner to act as leads to manage grants as fiduciary for the other regional districts that do not have the capacity.



Participating on the Governance Board: The Governance Board will help to oversee the implementation of the initiatives. Leaders who serve on the Governance Board will help to spearhead the initiatives, demonstrating commitment to drive change in school district operations.

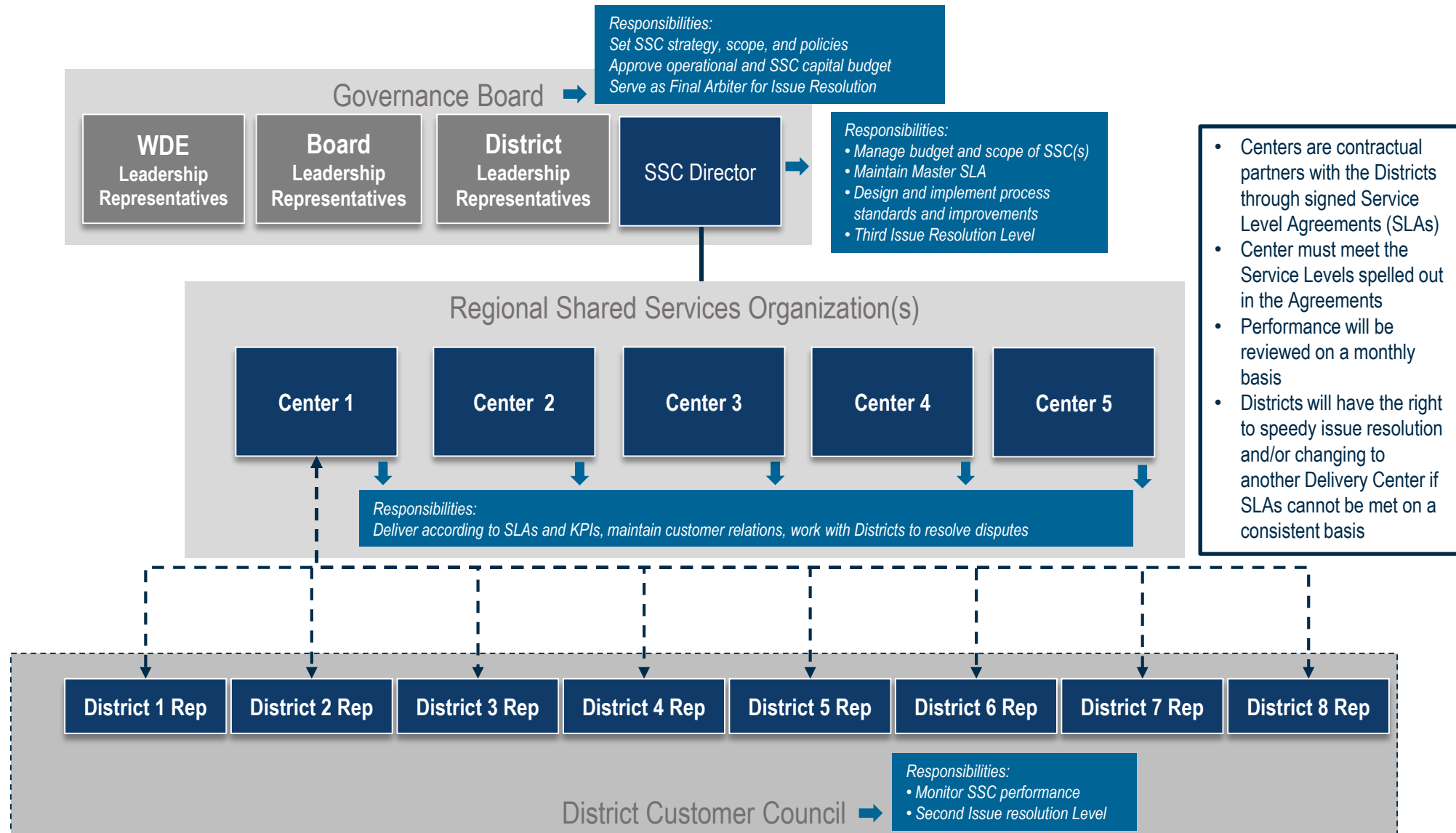
Stakeholder Table

District	WSBA	NW BOCES	NE BOCES	Region V	WDE
Albany County School District #1	✓				✓
Big Horn County School District #1	✓	✓			✓
Big Horn County School District #2	✓	✓			✓
Big Horn County School District #3	✓	✓			✓
Big Horn County School District #4	✓	✓			✓
Campbell County School District #1	✓		✓		✓
Carbon County School District #1	✓				✓
Carbon County School District #2	✓			✓	✓
Converse County School District #1	✓	✓	✓		✓
Converse County School District #2	✓		✓		✓
Crook County School District #1	✓		✓		✓
Fremont County School District # 6	✓	✓			✓
Fremont County School District #1	✓	✓			✓
Fremont County School District #14	✓	✓		✓	✓
Fremont County School District #2	✓				✓
Fremont County School District #21	✓	✓		✓	✓
Fremont County School District #24	✓	✓			✓
Fremont County School District #25	✓	✓			✓
Fremont County School District #38	✓	✓			✓
Goshen County School District #1	✓		✓		✓
Hot Springs County School District #1	✓	✓			✓
Johnson County School District #1	✓		✓		✓
Laramie County School District #1	✓				✓
Laramie County School District #2	✓				✓
Lincoln County School District #1	✓			✓	✓
Lincoln County School District #2	✓			✓	✓
Natrona County School District #1	✓				✓
Niobrara County School District #1	✓		✓		✓
Park County School District #1	✓	✓			✓
Park County School District #16	✓	✓			✓
Park County School District #6	✓	✓			✓
Platte County School District #1					✓
Platte County School District #2	✓				✓
Sheridan County School District #1	✓		✓		✓
Sheridan County School District #2	✓		✓		✓
Sheridan County School District #3	✓		✓		✓
Sublette County School District #1	✓			✓	✓
Sublette County School District #9	✓			✓	✓
Sweetwater County School District #1	✓			✓	✓
Sweetwater County School District #2	✓			✓	✓
Teton County School District #1				✓	✓
Uinta County School District #1	✓			✓	✓
Uinta County School District #4	✓			✓	✓
Uinta County School District #6	✓			✓	✓
Washakie County School District #1	✓	✓			✓
Washakie County School District #2	✓	✓			✓
Weston County School District #1	✓		✓		✓
Weston County School District #7	✓		✓		✓

The Wyoming School Board Association (WSBA) and the Wyoming Department of Education (WDE) have relationships with almost every school district in the state. The three BOCES – **Region V, Northeast Wyoming, and NW** – serve different districts with very little overlap.

With the exception of Platte CSDs #1 and #2, Natrona, Laramie CSDs #1 and Fremont #2, Carbon CSD #1, and Albany CSD #1, every district is a member of a BOCES making outreach to them more streamlined.

Shared Services Decision Rights and Responsibilities



Proposed Shared Services Governance Board

Governance Entity		Responsibilities			
Governance Board		<ul style="list-style-type: none">▪ Prioritize and set top level strategic direction for the WDE Shared Service Centers, set the Services Scope, and own the Governance Charter.▪ Decide on key resource allocation (people, capital, expense) for the WDE Shared Services for end-to-end process improvements.▪ Set strategic priority and direction for Continuous Improvement (CI) initiatives.▪ Drive Communication and Change Management of key strategic decisions to the Legislator, WDE, and Member School Districts.▪ Review and approve the WDE Shared Services annual plan and performance targets.▪ The Governance Board will serve as final decision authority on issues that have been escalated to this level.			
WDE SSC Board Membership					
<ul style="list-style-type: none">▪ <i>Chair</i>: Elected by the Board to serve for two years▪ WDE Representative▪ District Representatives (total number of representatives to be a quarter of total # of participating districts)<ul style="list-style-type: none">▪ 1/3 Small Districts▪ 1/3 Medium Districts▪ 1/3 Large Districts <p>(District Representatives will serve a two year term on a rotating basis)</p> <ul style="list-style-type: none">▪ WDE Shared Services Director▪ BOCES Representative					
Frequency of Meetings		Decision Authorities			
Bi-annually (Quarterly during the first 24-36 Months)		Operating Decision		Authority	
		<ul style="list-style-type: none">▪ Annual operating budget▪ Annual capital budget▪ Additional headcount▪ SLA performance levels▪ Service pricing methodology▪ Fundamental changes in scope	Accountable Accountable Accountable Informed Accountable Accountable	<ul style="list-style-type: none">▪ Process changes across Districts▪ Dispute resolution with SSC Delivery Centers and Member School Districts▪ Additional headcount (within budget)▪ Expenditures within budget▪ Hiring/ firing within budget	Consulted Accountable Informed Informed Informed

Proposed Shared Services Customer Council for Each Region

Governance Entity		Responsibilities				
Regional SSC Customer Council		<ul style="list-style-type: none">▪ Represent the “voice of the Client”▪ Review and take corrective action for deviations from key performance metrics and improvement plans▪ Advise the Governance Board on process improvement initiatives▪ Evaluate business cases and advise Governance Board on spending priorities▪ Champion change and the benefits of change▪ Help facilitate coordination of resources from Member Districts to work on process improvement initiatives▪ Serve as decision authority on issues that have been escalated to this level				
Membership <i>Recommendations</i>						
<ul style="list-style-type: none">▪ Regional Shared Services Manager▪ Representative from each Member District appointed by their respective Superintendent▪ Regional SSC Process Representative for each in Scope Process<ul style="list-style-type: none">▪ Medicaid▪ Consolidated Purchasing▪ School Food and Nutrition▪ Federal Funds						
Frequency of Meetings		Decision Authorities				
Quarterly	Operating Decision		Authority	Operating Decision		Authority
	<ul style="list-style-type: none">▪ Annual operating budget▪ Annual capital budget▪ Additional headcount▪ SLA performance levels▪ Service pricing methodology▪ Fundamental changes in scope		Consulted Consulted Informed Consulted Consulted Consulted	<ul style="list-style-type: none">▪ Process changes across Member School Districts▪ Dispute resolution Member School Districts▪ Additional headcount (within budget)▪ Expenditures within budget▪ Hiring/ firing within budget		Consulted Accountable Informed Informed Informed

Legislative Changes Required for Implementation

K-12 Shared Service Center Legislative Changes

- BOCES that are established as Regional Shared Service Centers will require legislation to be designated as LEAs so that State funds may be directed to them.
- Establish an incentive fund to drive school district adoption of the Shared Service Model and to design a process for the Superintendent to designate funds / appropriations.
- Seed funding must be approved by the Legislature before the Shared Service Center can begin building necessary requirements to operate the centers.
- Budgetary support to authorize ongoing funding for the first several years to get the centers to a maturity level where they can sustain themselves.
- The Shared Service Center(s) and each center employee should be subject to existing Wyoming Government Code, and going forward:
 - (1) each center needs to be considered an LEA; and
 - (2) each center employee is considered to be an employee of the LEA

Medicaid for Special Education Legislative Changes

- Medicaid services for special education must be codified in the Medicaid State Plan. WDE and WDH should partner to drive adoption of any related State Plan Amendments (*currently in progress*).
- Changes must be approved by the Centers for Medicare & Medicaid Services (CMS) in a Medicaid State Plan Amendment (SPA) before Wyoming can begin claiming reimbursement for SBSs. Drafted and submitted by Wyoming Medicaid, the SPA must describe the services covered and the reimbursement methodology.
- Legislative action may be needed to authorize Medicaid funding for special education services. SBSs were discussed in recent legislative sessions, but no legislation successfully passed.
- Establish requirement for school districts to report their costs for Medicaid-eligible services provided to special education children. Service providers will increase recordkeeping.

Non-Instructional Cost Threshold

WY should consider requiring schools districts to maintain an non-instructional cost burden of less than 35%. The State of Texas, a leader in the school district shared services model, requires that school districts limit non-instructional spending to 35 percent of their total budget.

The key challenge with school districts having high administrative cost burden is that it reduces the percentage of funding that is spent on instructional costs.

How do Shared Service Centers help?

The Regional Shared Service Centers would be an option for school districts who need to reduce their administrative cost burden. While participation in the Shared Service Centers would be voluntary, the collaborative administrative support across participating districts would drive down the cost for each district.

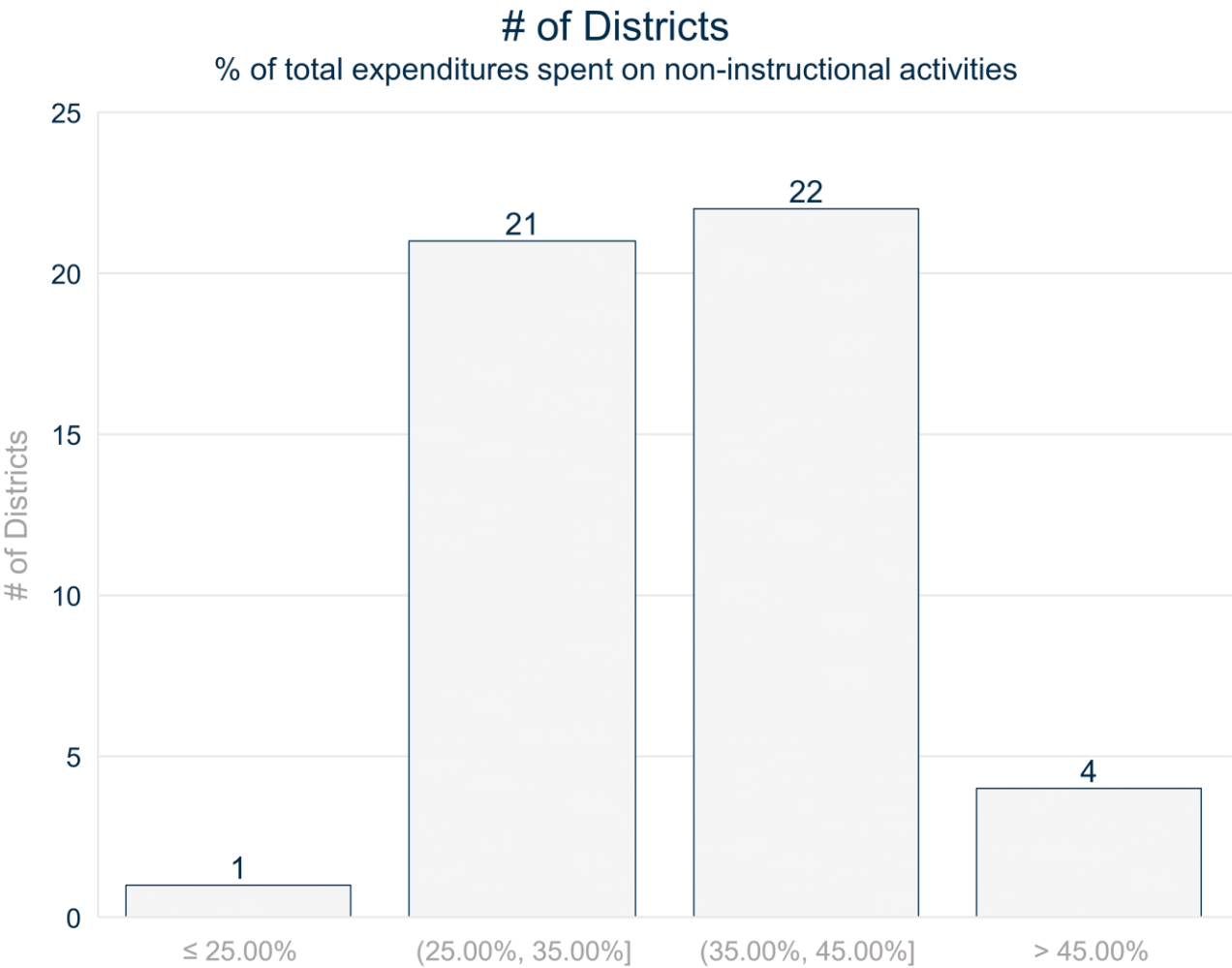
Mandating that school districts comply with a 35 percent administrative services cap, would incentivize the districts that could most benefit from shared services arrangement to participate in the Regional Shared Service Centers.

The state could also institute a policy where administrative costs above 35 percent are not eligible for reimbursement from the state, further incentivizing school districts to join Shared Service Centers to reduce administrative costs.

Non-instructional Costs average 34.7% across the state

Instituting shared service centers will increase efficiency of individual districts and reduce the percentage of expenditures that districts have to spend on non-instructional costs

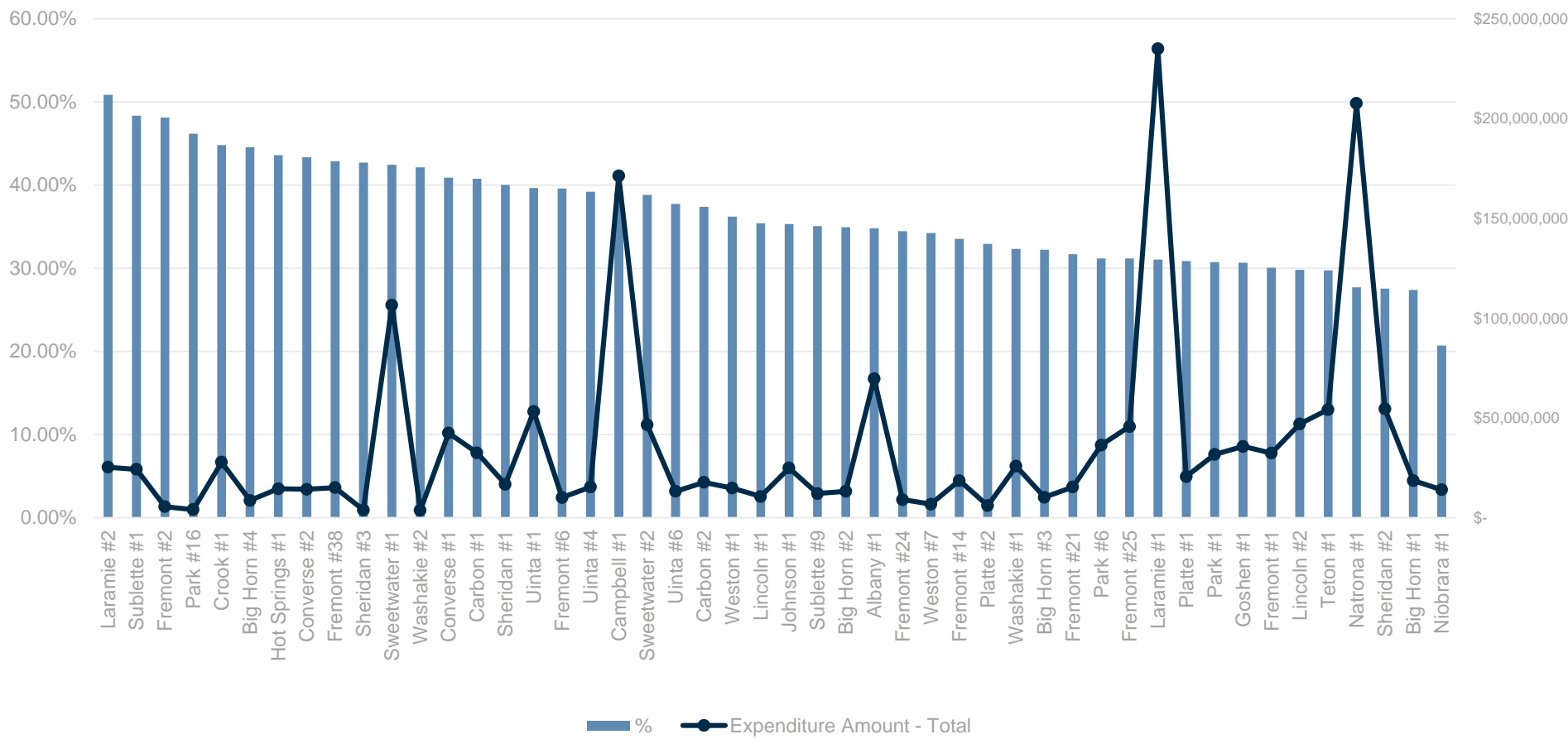
Administrative costs as a percentage of total expenditures average **34.7%** statewide. However there is a wide variance (20.7% to 50.9%) in that percentage when analyzing the expenditures of the individual districts. Additionally, 26 of the 48 school districts in Wyoming operate spending more than 35% of their total expenditures on non-instructional items



Note: Non-instructional activity includes operating costs for school administration, support services, finance, human resources, technology, transportation, food service, and facilities support. Capital expenditures, debt service, and fund transfers have been excluded.

Administrative Cost % vs. Size of Districts

With a few exceptions, most of the districts with high administrative cost percentages are the smaller districts in terms of overall expenses.



Non-Instructional Cost Breakdown

Non-instructional costs make up over \$600M in annual expenses across all districts

Other Non-Instructional Services

Other non-instructional services is made up largely of other non-instruction related expenses including health benefits (which is over one-third of the other category) and professional and technical services that fall outside of support services.

Food Services
\$47,082

Other Non-Instructional
Services
\$14,870

Transportation Services
\$100,901

Support
Services
\$235,303

O&M
\$206,455

Support Services

Largest portions of support services are salaries for both certified and non-certified personnel, professional and technical services, and insurance premiums for personnel.

O&M

Operations and Maintenance makes up just over one third of administrative costs across all districts. The largest portions of O&M are made up of buildings, electricity, supplies, repairs and maintenance and salaries for non-certified personnel



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